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4 SEP 1969  
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MEMORANDUM FOR: Director of Logistics

SUBJECT : Management Review of Property Disposal

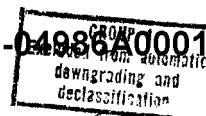
1. The attached management review contains recommendations for your approval; such recommendations are contained in paragraph 7 of the review.

2. It has been determined from the review that property disposals of this Agency are, in general, effectively controlled and properly documented. An evaluation of the controls and constraints of regulations and delegations of authority included interviews with representatives of the Audit Staff, Office of Finance, and other components who have had extensive firsthand experience with disposals Agency-wide. Considerable time was devoted to these interviews in the light of the fact that a substantial segment of disposal transactions are authorized unilaterally in the field, and recorded information concerning them may remain in the field under this decentralized concept. No evidence was reported or found of improper authorizations or transactions, and the auditors emphatically confirmed that both field and headquarters officials are acting with integrity in authorizing disposals and in maintaining proper documentation.

3. Due to the prevalent Agency trend toward decentralization of property disposal authority, Office of Logistics management has a need for a central source of information whereby the overall scope and volume of property disposals can be determined and pertinent logistics factors analyzed such as the materiel category, condition, method, valuation, and locale of such disposals. These should serve Office of Logistics management in fulfilling its responsibilities for property procurement and inventories as well as dispositions. Accordingly, this review includes proposed procedures for developing and maintaining a consolidated central record of disposal information and for preparing periodic analyses.

4. It is considered feasible and advantageous to develop the consolidated central record to the point that it will be an effective monitoring mechanism for all disposals Agency-wide. At such time as this degree of perfection is attained, it is

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believed that objective thought and study should then be directed toward expanding the present decentralized system for authorizing disposals. The review includes a recommendation to this effect.

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Acting Chief, Planning Staff, OL

Att

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OL/PS/R&AB <sup>25X1A</sup>:jw, bd/2561 (27 August 1969)

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